

Proposed Presidential and Congressional Moves in the Affordable Care Act and Medicaid Create Risk to California Health Programs. The specific plans of President-Elect Trump about the Affordable Care Act (ACA) and Medicaid are not yet clear. Together with the Republican dominated Congress, Trump has expressed plans to gut the ACA and block grant Medicaid.

An explicit repeal of the Act will be difficult because it requires 60 votes in the Senate to overcome a Democratic filibuster, which means Republicans would need the support of at least eight Democrats. In the absence of repeal, lawmakers will likely use federal budget reconciliation, which requires a majority vote, to terminate portions of the law. Targets are likely to include the Medicaid expansion and tax subsidies that lower cost for most enrollees of Covered California.

Ending the Medicaid expansion may be politically difficult because 31 states have made the expansion, including several states with Republican Governors. This includes Indiana, where Vice President-elect Pence is the Governor. In addition, elimination of the expansion will create major financial consequences for states and a variety of health care providers and hospitals. County mental health plans have expanded the provision of specialty behavioral health services related to the Medicaid expansion. Elimination of the expansion would mean many would become ineligible for services.

Another major proposal coming from Trump and Speaker Paul Ryan is to block grant Medicaid. Block granting Medicaid would end the entitlement program and replace it with generally fixed pots of funding transferred to states. Block grants for Medicaid have been considered for decades, but these proposals have faced head winds with states, providers and Democrats. Even with the conservative majorities in Congress, this approach will be politically difficult. In addition, to convert Medicaid into a block grant program would require opening up the Social Security Act which would invite a host of other stakeholders and proposals that would create additional political, legal and administrative difficulties. CBHDA will continue to monitor this landscape closely and assess impacts to be shared with counties. (CBHDA Contact: [Mary Adèr](#))

Governor and Legislative Leaders Issue Statements on the Outcome of the Presidential Election. In a statement on the outcome of last week's election, Governor Brown called for new leaders in Washington and California to unify and heal the divisions in the country. However, the Governor also affirmed that California will continue to "stay true to our basic principles" to protect the rights of the people of California. Leaders of the State Senate and Assembly stated they "woke up feeling like strangers in a foreign land" the day after the presidential election, but remain proud to represent California and its values. During the transition period between presidential administrations, Senate pro Tem De León and Assembly Speaker Rendon stated that they will evaluate the possible impacts of a Trump administration on California, including federal funding of state programs. Though there is much uncertainty about possible changes under President-Elect Trump, both statements by California's leaders confirm a commitment to defend the rights of Californians.

Please [click here](#) to see the full statements by Governor Brown, and [click here](#) to read the joint Legislative statement. (CBHDA Contact: [Mary Adèr](#))

Health Affairs Blog Discusses ACA Possibilities Under Trump Administration. The day following last week's presidential election, Health Affairs writer Timothy Jost posted an article outlining possible changes to the ACA under the Trump administration. The piece provides scenarios related to coverage expansion, but does not cover Medicare or prescription drugs. It is noteworthy that any repeal proposal would be subject to a filibuster in the Senate, and the Senate Democrats still retain enough votes to stop such bills. Additionally, Mr. Jost writes that the ACA is

interwoven into many parts of the US healthcare system, so any undoing of the Act would not happen immediately.

The article provides an overview of the budget reconciliation process and which components of the ACA could be targeted through this process. The repeal budget reconciliation put forward by Congress last year may serve as a model for ACA repeal. What likely could not change through budget reconciliation are ACA provisions related to insurance reform because they are not related to revenues, but continuation of these provisions without adequate financing could be damaging to insurance markets.

Regarding possible replacements to the Act, Mr. Jost points to tax credits and subsidies through health savings accounts or fixed dollar tax credits to make the purchase of health insurance more affordable. However, any ACA replacement plan would take time, as much as two years or more, because there would need to be significant changes to regulations and mechanisms developed for deductions or credits.

The Trump administration could also stop implementing or enforcing many of the ACA regulatory requirements, which are decisions that could be singularly made by the president-elect and would undermine many aspects of the Act. For example, the administration may discontinue efforts to enroll individuals in coverage during open enrollment or lessen their commitment to resolve challenges related to insurers ability to provide coverage at affordable rates. Conservative states may be more likely to receive approval for 1332 waivers allowing them to operate state Medicaid programs that may not provide as comprehensive of coverage as is required under the Act. Additionally, the possibility of shifting Medicaid to block grants would place the burden of financing Medicaid to the states. Lastly, Trump's administration may cease to defend the many lawsuits involving the ACA.

Though there are still many unknowns regarding the specific plans of Trump's administration, the article provides an initial look into the many possibilities and avenues for ACA change.

To see the full article [click here](#) (link).

Thorn Run Partners (TRP) Health Policy Issue Brief: Potential Components of ACA Repeal & Replace Legislation. The TRP brief provides a closer look at the components of the 2015 reconciliation bill, which was vetoed by President Obama. According to TRP, this bill may provide the clearest outline of what may be pursued next year regarding ACA changes. The brief also details House Speaker Ryan's plan for replacement of the ACA, however it is notable that this plan does not contain information regarding coverage or cost, as it has not yet been released as legislation. Additional ACA alternatives are outlined, including key proposals that Republicans may include in an ACA Repeal and Replace package.

To see the full issue brief, please see attached document.

California Healthcare Leaders Provide Remarks on the Future of the ACA and Healthcare in California

What will the Rollback of Obamacare look like in California? Listen to an interview with Peter Lee, Executive Director of Covered California, says he wants to work with the new Trump administration and Republican leaders to craft a sensible replacement plan that ensures access to coverage for millions of Californians. [Click here](#) (link) to listen.

The Future of Health Care in California. Dr. Sandra Hernandez, President & CEO of the California Health Care Foundation, provides remarks on the future of healthcare in California. [Click here](#) (link) to read.